

MEMC

TECHNOLOGY IS BUILT ON US

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October 21, 2005

VIA FEDERAL EXPRESS

Andre-Jacques Auberton-Herve
Chief Executive Officer
S.O.I.TEC Silicon On Insulator Technologies
38190 Bernin
France

Re: MEMC PerfectSilicon™ Patents

Dear Mr. Auberton-Herve:

I am the Vice President and General Counsel of MEMC Electronic Materials, Inc. ("MEMC"). I am writing to you directly in connection with past correspondence between our two companies relating to MEMC's PerfectSilicon™ Patents with the hope that my letter to you will generate a timely response from Soitec. In particular, we have been awaiting a definitive response from Soitec to our initial letter to your company (or your counsel) about these patents for over a year.

Background

On October 15, 2004, Dr. Shaker Sadasivam, MEMC's Senior Vice President, Research and Development, in response to a September 30, 2004 letter from Emmanuel Huyghe of your company regarding a Soitec patent, sent Mr. Huyghe a letter asking Mr. Huyghe for a response in connection with eight of MEMC's United States and European patents in the "Perfect Silicon" area, including European patent EP-B-0 972 094 (the "'094 Patent"). A copy of this October 15, 2004 letter is attached hereto for your convenience.

On November 10, 2004, Patrick F. Murray of Winston & Strawn LLP, Soitec's outside counsel, responded to Dr. Sadasivam's October 15 letter on behalf of Soitec, and stated that Soitec was in the process of reviewing MEMC's referenced patents, and that it was Soitec's hope to have a response to MEMC by the end of 2004. A copy of Mr. Murray's November 10, 2004 letter is also attached hereto for your convenience.

Bradley D. Kohn
Vice President and
General Counsel



When we had not received any response from Soitec by March 2005, on March 7, 2005, Dr. Sadasivam sent another letter to Mr. Murray, asking when the promised Soitec response would be forthcoming. A copy of this March 7, 2005 letter is attached hereto for your convenience. To date, we still have not received a response from Soitec regarding these patents.

Recent Developments

Recently, MEMC received a favorable decision from the European Patent Office ("EPO") Opposition Division in connection with the '094 Patent, which '094 Patent was opposed by Sumitomo Mitsubishi Silicon Corporation. MEMC's '094 Patent pertains to Low Defect Density, Vacancy Dominated Silicon, which is used in the preparation, manufacture and sale of semiconductor grade single crystal silicon ingots and wafers. The '094 Patent is one of the many European patents that MEMC has in the "Perfect Silicon" area, certain of which patents were brought to the attention of Soitec as described above.


After an all day hearing on October 11, 2005 in Munich, Germany, the EPO Opposition Division upheld the validity of the '094 Patent as such patent relates to the preparation, manufacture and sale (and use) of wafers with a diameter of 200 mm or greater. Consistent with our belief that Soitec is aware of and concerned regarding its potential infringement of our patents, at least one representative of Soitec (Mr. Huyghe) attended the hearing in Munich. As we have indicated in our letters to Soitec in the past, we are concerned that Soitec has infringed and may be infringing our intellectual property, including, but not limited to, the '094 Patent, in connection with the use, manufacture and sale of Soitec's SOI wafers.

As you also know, in mid-September 2005 Forbes published an article about Soitec and Soitec's products. In particular, the last statement in that article caught our attention: "[t]he donor wafer can be reused ten times before it gets too thin." We believe that if that statement is true, then the donor wafer must be "Perfect Silicon." If the donor wafer is in fact "Perfect Silicon", then the use, manufacture and sale of this "Perfect Silicon" donor wafer infringes our intellectual property and patents.

Before we take any further appropriate action, we would like to understand how Soitec has believed it is justified in using and selling such products, and how Soitec proposes to address and remedy this situation. Given that over a year has passed since our initial correspondence about this, and Soitec's obvious awareness of the issue, we would appreciate a response from you no later than November 15, 2005.

I look forward to hearing from you or your appointed representative. Please feel to contact me to discuss further.

Sincerely,

A handwritten signature in cursive script, reading "Bradley D. Kohn".

Bradley D. Kohn
Vice President and General
Counsel

cc: Patrick F. Murray, Winston & Strawn LLP (via facsimile and Federal Express)
Dr. Emmanuel Huyghe (via email and Federal Express)